Foreign assistance for various Government Departments

3296. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that loan assistance received from international agencies for projects and programmes of the various Government Departments is deposited in the Consolidated Fund or in other depository;

(b) whether it is a fact that the Departments of the Government are then provided funds in rupee currency in the yearly budget/grants against such assistance;

(c) whether the expenses incurred from these grants are subject to usual economy directives issued by Government from time to time;

(d) whether relaxation of such directives is a normal practice to has ten the process of utilisation of such grants; and

(e) whether specific instructions have been issued to ensure strict compliance of the directive issued?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. KRISHNAMURTHY): (a) Yes, Sir. The loan assistance from International agencies for various Government departments is routed through the Consolidated Fund of India.

(b) Yes Sis.

(c) Yes Sir.

(d) Proposals for relaxations in such cases are examined on merit.

(e) No Sir.

Income tax laws of the country

3297. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) the nature of changes introduced in the Income Tax laws in the present Budget;

(b) whether it is a fact that these changes are of far-reaching nature and call for separate legislation; and

(c) if so, when Government propose to initiate legislation in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) As indicated in the Memorandum explaining the provisions in the Finance Bill, 1995, which was presented in the Parliament, changes introduced in the Income-tax Act relate to the following matters:—

(i) Rates of income-tax and the exemption limit;

(ii) Welfare measures;

(iii) Incentives for infrastructure building, industrialization and export;

(iv) Enlargement of the scope of deduction of tax at source;

(v) Special procedure for assessment of search cases;

(vi) Measures to check tax evasion and avoidance;

(vii) Measures of rationalization;

(b) and (c) Legislation to give effect to these changes is contained in the Finance Bill, 1995, which has already been simultaneously introduced in the Lok Sabha at the time of presenting the Budget for 1995-96. No separate legislation is, therefore, called for to give effect to these changes.

World Bank assistance for Banking Sector

3298. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be pleased to state:

(a) whether World Bank has recently sanctioned loan assistance for India;